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MEMORANDUM FOR RECORD

SUBJECT: Bilateral Meeting With the Canadians -- 11 May 1981, 1800 Hours, Hyatt Regency Hotel

PARTICIPANTS

U.S.	CANADA
Caspar W. Weinberger, Secretary of Defense	J. Gilles Lamontagne, Minister of Defense
Ambassador W. Tapley Bennett	General Withers, Chief of Defense
Dr. Fred C. Ikle	Mr. Anderson
Major General Richard Bowman	
Brigadier General Carl Smith	

(C) 1. F-18. Secretary Weinberger indicated that the U.S. still planned to go ahead with 1566 airplanes and that the cost increases have been mostly inflation. There is no question about the quality of the aircraft, but we have asked the Navy to see how they can keep the unit cost down. We intend to keep a close, day-to-day eye on the program. Lamontagne said that he had read the Carlucci memo and it was not as bad concerning the status of aircraft cost as the press made it out to be.

(C) 2. Infrastructure. Weinberger asked for assistance in securing Alliance approval of an infrastructure funding increase. He explained that such an increase was essential in order to provide the facilities for the expensive equipment the Alliance is buying, especially for U.S. reinforcement divisions and aircraft. Lamontagne said the problem is that Apel has no money and therefore, probably will not agree to the full increase discussed by the U.S. Would the U.S. consider compromising at a level of 250 IAU for slice 32? Weinberger said that some compromise was probably possible, but we were not at that point yet. We are worried about the longer run effect on the Alliance defenses if we should accept a lower number for slice 32.

(S) 3. Alliance Cooperation on Out-of-Area Crises. Weinberger described U.S. planning for the RDF and indicated that help was needed from the Alliance if the Soviets were to be deterred in Southwest Asia. The UK is supporting U.S. efforts there and France is cooperating, although we will have to see what the effect of the election turns out to be. Lamontagne provided a new text for paragraph 6 of Ministerial Guidance which covers out-of-area support. Weinberger agreed to study the Canadian text, but indicated we needed mention of some of the specific support required.

OSD Review completed

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4. TNF Modernization. Weinberger emphasized the need for agreement on the Soviet threat and Alliance requirements as a basis for effective arms control negotiations with the Soviets. Lamontagne asked what the situation would have to be on the overall international scene in order to begin negotiations with the Soviets. Weinberger replied that barring a major crisis such as an actual invasion of Poland, we would certainly begin the negotiations before the end of the year, but we must have agreement on the data and Alliance requirements as a basis for negotiations.

RICHARD C. BOWMAN
Major General, USAF
Director, European & NATO Affairs
OASD/ISP

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